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Uzbekistan, Republic of

Cotton and Products

Cotton Production Update

2004

Approved by:

James Higgiston
U.S. Embassy

Prepared by:

Nizam Yuldashbaev

Report Highlights:

Uzbekistan failed to reach its MY03/04 production target of 3.6 million metric tons (MMT) in seed cotton harvesting only 2.85 MMT. Based on this decrease Uzbekistan's MY03/04 lint production is forecast at 910,000 MT with exports further declining to 660,000 MT.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[UZ]

PRODUCTION**Table 1. Cotton Production, Supply and Demand**

Republic of Uzbekistan							
Commodity	Cotton				(HECTARES)(MT)		
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		08/2001		08/2002		08/2003	MM/YYYY
Area Planted	1400000	1400000	1388000	1388000	1359000	1359000	(HECTARES)
Area Harvested	1430000	1400000	1420000	1388000	1359000	1330000	(HECTARES)
Beginning Stocks	161771	161771	227089	166771	166771	166771	(MT)
Production	1066860	1015000	1023315	1000000	930000	910000	(MT)
Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	1228631	1176771	1250404	1166771	1096771	1076771	(MT)
Exports	740270	760000	762043	750000	680000	660000	(MT)
USE Dom. Consumption	261272	250000	283045	250000	290000	280000	(MT)
Loss Dom. Consumption	0	0	0	0	0	0	(MT)
TOTAL Dom. Consumption	261272	250000	283045	250000	290000	280000	(MT)
Ending Stocks	227089	166771	205316	166771	126771	136771	(MT)
TOTAL DISTRIBUTION	1228631	1176771	1250404	1166771	1096771	1076771	(MT)

MY 2003/04 cotton production is forecast to decline to 910,000 MT due to the decrease in seed cotton production. The cotton harvest ended during the last week of November following the first frosts. Even at the beginning of the harvest many experts predicted that it would be impossible to reach the initial official target of 3.6 MMT in seed cotton given spring rains which forced replanting in all cotton areas. The current harvest is the lowest in recent years.

According to the latest figures from the Ministry of Agriculture, Uzbek farmers harvested about 2.85 MMT of seed cotton in total, which is almost 0.4 MMT less than last year. Many regions failed to fulfill their targets. Among few regions that managed to reach their state targets were Samarkand, Surkhandarya and Bukhara.

In addition to this year's weather problems, the other reasons still hampering successful cotton crop were the shortage of appropriate inputs and the lack of attractive incentives for farmers. Although, as usual, prior to harvest, GOU increased the average state procurement prices for seed cotton from Sums 126,000 last year to Sums 195,000 this year (exchange rate Sums 977 = USD1.00), still it is far below the world market prices.

In spite of this year's difficulties, GOU officials hope that the increase in world cotton prices will serve as an incentive to production. At the same time, many independent experts believe, that the relative increase in the local cotton procurement prices, inadequate agricultural reforms and the state control over cotton exports will discourage Uzbek farmers from increasing production and consequently from reaching future production targets.

TRADE

Due to the decrease in cotton production, MY 2003/04 cotton exports are forecast at 660,000 MT. Reduced production for the past years resulted in the continued decline. The current export forecast in this report is the lowest level during the past decade. MY 2003/04 cotton exports decreased almost by half compared with MY 1993/94 level (1.262 MMT).

Cotton exports for the past 10 years:

1993 -	1,262,815 MT
1994 -	1,089,940 MT
1995 -	984,995 MT
1996 -	990,655 MT
1997 -	995,010 MT
1998 -	829,975 MT
1999 -	892,679 MT
2000 -	740,270 MT
2001 -	760,270 MT
2002 -	750,000 MT
2003 -	660,000 MT

Reportedly, approximately 250,000 tons of cotton is shipped to Russia annually in accordance with intergovernmental agreements, the rest is exported to Europe and South-East Asia.